The Nature of Communication in Professional Settings

Learning Objectives

After reading this chapter and studying the materials, you should be able to:

1. Describe the nature of communication.
2. Appreciate the differences and similarities between business communication and management communication.
3. Recognize the functions and activities involved in managing and management communication.
4. Use the types of communication that take place at the primary levels of management.
5. Understand how business and communication trends influence careers and career success.
1.1 Information, Communication, and Meaning

Learning Objective # 1: What is communication?

Communication touches nearly every aspect of life. From a child’s first words to final pronouncements at a funeral, communication influences how and what we learn, how we interact with others, and how we make a living. Those who experience difficulty communicating, for whatever reason, face a major disadvantage. Also, those who are gifted at communication often achieve a great deal of success, in their personal lives and on the job.

One of the great truisms of business may be that innovative ideas lead to big profits. The Internet and e-commerce resulted from the idea that computers could be linked together through new technologies. The concept that people would like made-to-order sandwiches in a fast-food mode became transformed into Subway restaurants. The notion that consumers would respond to a low-priced, no-frills-but-friendly airline brought Southwest Airlines to life. Many companies, products, product improvements, and improvements in production systems resulted from a great idea that one person was able to transmit to others, and then turn into action (Gomez-Mejia, Balkin, & Cardy, 2005).

This text focuses on communication in the world of business. Two themes run throughout all of the chapters. The first concentrates on presenting individual communication skills that you need to enjoy a successful business career. The second is to adapt those skills to the task of managing in an organization. These themes are both enhanced by an emphasis on the importance of critical thinking and decision-making skills.

This chapter opens with a very basic discussion about the nature of information, communication, and meaning. The concepts are then applied to business situations. Next, the chapter provides a detailed description of management communication. It also explores the differences and similarities that exist in the areas of business communication and management communication. The chapter continues with a discussion of the basic management activities and functions and how they relate to the communications process. The chapter also describes the changing context of business and management communication. Finally, it discusses the role communication plays in career success.
One of the true success stories in United States commerce can be found in the birth, growth, and development of Southwest Airlines. The central figure in the story, Herb Kelleher, has been widely noted as an architect of a career model that would succeed in nearly any industry. Among Kelleher’s many talents, the ability to communicate stands out.

Southwest Airlines owns the reputation of being a place where employees are empowered and loyal. To build this type of environment, Kelleher’s management style includes the following concepts:

- Share your purpose, vision, and values.
- Make people heroes.
- Be honest and consistent in communication.
- Make sure you can see that communication is open and flowing through all departments.
- Make sure all the staff has the information they need to make decisions (Frieberg & Frieberg, 2010).

Among these five principles, elements of a successful management communication style are apparent. The ideas suggest a strong set of personal principles as a guideline for interpersonal relationships, effective interpersonal communication, and the development of communication systems that help people succeed on the job.

Kelleher’s methods included staff meetings that resembled pep rallies as much as business programs. The management team he led took a light-hearted approach to the business. They encouraged flight attendants to show their personalities, if the attendants felt like it. Some would wear Hawaiian shirts as they tended to passengers. Others sang while going about their duties. Southwest’s managers did not train people to do so, but, as Kelleher noted, “I just thought most people would rather be entertained than bored on a flight” (Dell, 2007).

Even as Kelleher encouraged his employees to have fun and be merry while on the job, he also exhibited an iron will when dealing with outside forces. Kelleher and Southwest engaged in numerous legal battles to get the airline off the ground. Industry rivals did not want additional competition in the Texas area, where Southwest launched operations. The company endured lawsuits and other maneuvers before eventually beginning flights.

Kelleher’s communications model differs somewhat from traditional management and marketing thinking. While many organizations believe the starting point will be keeping customers happy, Kelleher instead concentrated on keeping employees happy—believing that they would in turn provide the high-quality customer service that helps an airline succeed.

At the end of his time as CEO of Southwest Airlines, Kelleher was in high demand as a speaker for other companies and organizations. His fun-loving, self-effacing, and genuine style of leadership earned him many accolades as the personification of a charismatic leader. The birth and growth of his popular airline suggests such a title is well-deserved.

Questions for Students

1. What was the primary message that Herb Kelleher communicated to the employees at Southwest Airlines?
2. How does Kelleher’s communication style link to his success story at Southwest Airlines?
3. Following Kelleher’s departure, Southwest Airlines encountered several problems with airplane safety, incurring history’s biggest fine for safety violations. Ignoring passenger and employee safety to increase profits represents a failure of ethical reasoning. What communication failures may have contributed to this problem, and how can a management communication system help ensure that it does not happen again?
What Is Communication?

Communication may be defined as transmitting, receiving, and processing information. Information consists of any item that evokes or has meaning. Communication therefore involves the transfer of meaning or information from one person or group to others (Fabun, 1968). Note that “information” and “meaning” range from the most trivial tidbit (“Look at that bird on the back fence”) to the most complex ideas possible (“The meaning of life is. . .”). Information takes a variety of forms, including:

- terms or words
- symbols
- figures or numbers
- a single concept
- sets of concepts combined

For any of these to evoke meaning, a recipient must understand them. For instance, most people older than 25 years of age who grew up in the United States understand this combination of letters and numbers:

Y2K

A child of 10, who knows how to read, probably does not. The young person does not process the information, owing to a lack of frame of reference. Consequently, actual communication occurs only when all three elements of the definition: (1) transmitting, (2) receiving, and (3) processing take place, because each is necessary to transfer meaning from one person to another (Berlo, 1960).

For Review

Define communication.

Explain the three main elements of the definition of communication as they relate to the concept of meaning.

Levels of Business Communication

In the world of commerce, a great deal of information flies about. Some is processed and has meaning; some does not. One purpose of this book is to help you become a better communicator by framing information in such a way that your intended audience understands the meaning, as you intend it. Business organizations rely on information being correctly sent and interpreted in a variety of ways and to a variety of audiences. Beyond interpersonal communication and communication systems in organizations, other levels exist. In this text, four levels of communication receive attention: (1) individual (interpersonal), (2) within organizations, (3) across organizational boundaries, and (4) across international boundaries.
Communication Within Organizations

In business organizations, two levels of communication are present: interpersonal communication and communication within the organization itself. In that context, **interpersonal communication** takes place between individuals or one individual with a small set of other people. **Communication systems** are the methods and technologies that transmit information throughout an organization. Communication systems include group dynamics intra (within) and inter (between) groups as well as the most complex methods of moving information throughout an organization. Table 1.1 provides examples of interpersonal communication and communication systems in an organization (Bedeian, 1986, pp. 522–541).

**Table 1.1: Forms of communication within organizations**

<table>
<thead>
<tr>
<th>Interpersonal Communication</th>
<th>Communication Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor with employee</td>
<td>Between members of a team or group</td>
</tr>
<tr>
<td>Employee with employee</td>
<td>Between two or more groups</td>
</tr>
<tr>
<td>Supervisor to a team of employees</td>
<td>Formal management channels</td>
</tr>
<tr>
<td></td>
<td>Informal channels (gossip, rumors)</td>
</tr>
</tbody>
</table>

The coming chapters highlight all of the methods that facilitate communication in these circumstances. The material also notes the many obstacles to communication, both in interpersonal settings and in communication systems. Quality communication takes place only when the proper methods are used to overcome those barriers.

**For Review**

What two levels of business communication are present in the business community?

Communications Across Domestic and International Boundaries

Additional vital information flows across organizational boundaries to other individuals, groups, and organizations. Communications across domestic boundaries include messages sent to suppliers, retailers, governmental organizations, special-interest groups, and individual customers. These take the forms of letters, reports, statements, interpersonal contacts, public relations statements, and marketing messages. A company cannot survive unless quality interactions take place between it and these persons and groups.

Furthermore, in today’s global marketplace, many organizations form contacts and partnerships with businesses in other countries. Some of these contacts take the form of supplier–manufacturer and manufacturer–retailer relationships. Others involve interactions with foreign governments and other agencies. A complete business communication program effectively accounts for all four levels of communication (McCune, 1998).
The Role of Communication in Commerce

Just as communication influences nearly every aspect of life, communication affects every element of an organization. As an entrepreneurial idea germinates into a new company, the need for quality communication becomes evident with every step of the way. In other words, each stage of the business life cycle requires quality communication. Figure 1.1 displays an example of a life cycle. This concept applies to products, companies, and industries (McCarthy, 1981).

Figure 1.1: A life cycle model

The life cycle model depicts the evolution of a company from when it is born, through its stages of greatest success, to eventual decline and death. The company starts with growth, when sales are low but increasing; moves to maturity, where sales peak; then moves into decline, where sales decrease.

As a company is born, it takes a great deal of time, money, and effort to make the firm known to potential employees, suppliers, and customers. Unless the word gets out, the company will be doomed to failure. About 15 percent of new businesses survive past the first two years (Belmont University, 2005). Firms that survive the initial shake-out do so, in part, by effectively transmitting messages to customers, retail outlets, and every other person or group that has contact with the company.

As firms grow, an increasing number of groups require attention. Most of the time, the management team adds additional specialists to respond to this increase. For example, the production department might be divided into those who purchase and store raw materials, those who physically assemble the product, and the group who stores inventory and ships items to customers. The marketing department will likely be divided into areas such as sales, advertising, and public relations. This specialization allows for more precise messaging and servicing to various groups.

Mature firms require sophisticated information systems to efficiently and effectively conduct operations. Managers in these firms are expected to effectively transmit information to internal employees and departments as well as interact with members of other organizations and the general public.

Even companies in decline need to communicate. A firm that goes out of business still needs to be liquidated, with remaining inventories and structures eventually sold to final buyers.
CHAPTER 1

Section 1.2 Business and Management Communication: Similarities and Differences

1.2 Business and Management Communication: Similarities and Differences

Learning Objective # 2: What are the differences and similarities between business communication and management communication?

Every type of organization, whether it is profit-seeking, a nonprofit, or a government, engages with a series of individuals and groups that affects its operations, and it is important to understand who these groups are before exploring how they communicate with one another. The names given to those that interact with an organization are publics and stakeholders. Publics include every group that has contact with a company or organization. One set of publics is essentially neutral regarding what takes place within a firm. The media, for example, may report on a company’s success or failure without being affected in any way other than having a story to write. Employees in other companies that make contact with a firm are publics as well. Stakeholders consist of the publics that have vested interests in an organization. Table 1.2 displays two sets of stakeholders that interact with the management of an organization (Phillips & Freeman, 2003).

<table>
<thead>
<tr>
<th>Table 1.2: Stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Stakeholders</strong></td>
</tr>
<tr>
<td>Employees</td>
</tr>
<tr>
<td>Unions</td>
</tr>
<tr>
<td>Shareholders</td>
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<td></td>
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</tbody>
</table>

Internal stakeholders derive their vested interests from wanting the organization to succeed, in terms of profits, growth, and stability. Employees want to believe their jobs are secure, as do unions. Shareholders seek evidence that the stock will retain its value or grow in value as well as pay dividends.

For Review
What are the four parts of a life cycle?
External stakeholders have more diverse vested interests. Suppliers want ongoing customers to buy their raw materials. Retail and business-to-business customers desire quality products at favorable prices. The government works to maintain a business environment in which companies thrive while limiting illegal activity and unfair competition. The local community wants an employer that treats workers in a fair and equitable manner and that maintains a safe environment. Educational institutions like to know that their graduates have places to apply for work and jobs waiting for them. Special-interest groups pursue various agendas that at times influence a company’s operations, such as when People for the Ethical Treatment of Animals (PETA) protested the use of animals in circuses, rodeos, motion pictures, and in product research and testing (as cited in Freeman, 1984, pp. 3–30).

## For Review

Define publics and stakeholders.

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### Business Communication

**Business communication** consists of the total set of venues used to transmit messages to all publics and stakeholders, within the company and outside the company. The range of contacts included in business communication extends from a single person filling out a blank application and submitting a cover letter to complex internal reports on technological innovations, trade secrets, and reports to the government. Business communication consists of numerous modes, including those shown in Table 1.3.
Over the years, management communication has been compared to a variety of concepts. Some suggest it resembles electricity, or the energy that makes a company run. Another perspective argues that communication takes the form of the glue that holds a business together. A third vantage point is that communication is most like gasoline, a fuel that keeps the business engine running. No matter which perspective you believe, it is easy to conclude that management communication represents an integral part of the business.

Table 1.3: Modes of business communication

<table>
<thead>
<tr>
<th>Written</th>
<th>Verbal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letters</td>
<td>Face-to-face interactions</td>
</tr>
<tr>
<td>Memos</td>
<td>Meetings</td>
</tr>
<tr>
<td>Job application forms</td>
<td>Presentations</td>
</tr>
<tr>
<td>Business proposals</td>
<td>Speeches</td>
</tr>
<tr>
<td>Internal Reports</td>
<td>News conferences</td>
</tr>
<tr>
<td>Reports to shareholders</td>
<td></td>
</tr>
<tr>
<td>Contracts</td>
<td></td>
</tr>
<tr>
<td>Company manual or handbook</td>
<td></td>
</tr>
<tr>
<td>Company magazine or newspaper</td>
<td></td>
</tr>
<tr>
<td>Bulletin board</td>
<td></td>
</tr>
<tr>
<td>Public relations releases</td>
<td></td>
</tr>
<tr>
<td>Email/social media</td>
<td></td>
</tr>
<tr>
<td>Website</td>
<td></td>
</tr>
<tr>
<td>Advertisements</td>
<td></td>
</tr>
</tbody>
</table>

Business communication can be directed from outside the company to someone inside (letter of application, letter of reference) or from inside the company outward (shareholder reports, presidential speech). Business communication also moves internally from one employee to another and from one department to another.

For Review

Define business communication.
List five modes of written and verbal business communication.

Management Communication

Over the years, management communication has been compared to a variety of concepts. Some suggest it resembles electricity, or the energy that makes a company run. Another perspective argues that communication takes the form of the glue that holds a business together. A third vantage point is that communication is most like gasoline, a fuel that keeps the business engine running. No matter which perspective you believe, it is easy to conclude that management communication represents an integral part of the business.
In this text, we define management communication as the following: all efforts to systematically plan, implement, monitor, and upgrade the channels of communication within the organization and with outside organizations that affect a company’s internal operations. Managerial communication applies to the functions and activities of the management team. In essence, management communication is a subset of the overall subject of business communication. In this book, both topics receive coverage. Much of the time, the analysis of a subject includes both business and management communication. When the topic is a specific management activity, conclude that management communication concepts are being applied.

The definition of management communication suggests two important concepts. First, management communication is an ongoing process that goes beyond simply installing a system. Effective management communication relies on continual monitoring and upgrading of channels. In an age in which communication technologies develop and evolve quickly, successful companies take advantage of the innovations to provide better-quality products and services, and to create a better workplace environment for employees. For example, many companies now use instant messaging systems to communicate with employees. Nearly every company has adjusted to the new world of social media by creating a Facebook page and a Twitter account.

Second, the definition identifies two key channels of communication. The first set of channels moves information within the company. The second set of channels creates contacts with outside groups that affect internal operations. These include suppliers, retail outlets, the government, and other agencies. Company accounting systems and inventory-control mechanisms are internal channels. Reordering raw materials by using the Internet involves channels with outside groups.

**Analysis**

What, then, are the key differences and similarities between management communication and business communication? Obviously, a great deal of overlap exists. The common elements between business communication and management communication include:

- internal contacts and activities
- external interactions with publics and stakeholders
- use of verbal, nonverbal, and written channels
- common skill sets required

The primary difference between business communication and management communication lies in the range of functions. Business communication applies to every aspect of a
company’s operations, including some activities that do not have a managerial component. For example, writing a high-quality letter of application and making an impressive appearance in a job interview are parts of the business communication process that do not involve any managerial activity.

For Review

Define management communication.
List five modes of written and verbal business communication.

1.3 Management and Management Communication

Learning Objective # 3: What functions and activities are involved in managing and management communication?

To better understand management communication, it is best to begin with the basic concepts and function of management. Management can be defined as getting things done through others. The essential point of such a simple definition rests with the word “others” (Trewatha, Newport, & Johnson, 1997).

In most companies, the entry-level person with the highest level of technical skill most quickly stands out from the crowd. That individual may be a gifted salesperson, production employee, information technology operator, server in a restaurant, or worker in another capacity. After some successful time on the job, that person is likely to be considered for promotion. Those who are promoted and become supervisors may quickly become frustrated with entry-level employees who are not as talented. The tendency, then, is to want to do everyone else’s job for them; however, that is not managing. Managing shows others how to improve their levels of performance. The task of managing others encompasses two areas: (1) completing the basic managerial functions or processes and (2) engaging in the everyday managerial activities and interactions.

For Review

Define management.

Managerial Functions

The standard approach to management involves four functions: (1) planning, (2) organizing, (3) directing, and (4) control. Each requires key communication skills and activities.

Planning involves preparing a course of action for the future, in the short, medium, and long range. Short-term plans include budgets, projects, and programs. Budgets are financial plans. Projects are plans spelled out for a single-time activity, such as renovating a store or repaving the parking lot. Programs consist of sets of projects that lead to
a long-term change. Bringing a new product to market requires several projects, including developing the physical product and creating a package, label, brand name, logo, and other items. Creating an e-commerce program to supplement a brick-and-mortar store also involves several projects. Medium-range plans, which cover periods of one to three years, are tactics. Long-term plans are strategies.

Organizing combines people and resources to create goods and services through the processes of job design, departmentalization, and drawing lines of authority and responsibility. Job design includes the steps of stating the tasks that are part of the job. Departmentalization means placing the jobs into individual groups or departments. Drawing lines of authority and responsibility creates the organizational structure and hierarchy of the company.

Directing, or actuating, involves seeking to achieve the highest levels of performance. Teaching, motivating, leading, and working with teams and groups improve the odds of success. Actuating represents the people side of business.

The control process consists of comparing performance to standards, making corrections when needed, and rewarding success. Control occurs at three levels: (1) individual, or the performance appraisal process, (2) departmental, and (3) companywide. Control includes correcting problems and making sure to recognize those who succeed with tangible rewards (Trewatha, Newport, & Johnson, 1997).

Note that communication is essential to each of these management functions. Table 1.4 outlines the forms of communication that accompany each function.
Table 1.4: Communication and management

<table>
<thead>
<tr>
<th>Management Function</th>
<th>Description</th>
<th>Management Communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term</td>
<td>Planning</td>
<td>Sales forecast, budget</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Project plan</td>
</tr>
<tr>
<td></td>
<td>Medium-term</td>
<td>Tactical plans</td>
</tr>
<tr>
<td></td>
<td>Long-term</td>
<td>Strategic plans</td>
</tr>
<tr>
<td>Organizing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job design</td>
<td>Organizing</td>
<td>Job descriptions (formal lists of employee duties)</td>
</tr>
<tr>
<td>Departmentalization</td>
<td>Organizational hierarchy</td>
<td>Organization chart</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Company manual or handbook</td>
</tr>
<tr>
<td>Directing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teaching</td>
<td>Directing</td>
<td>On- and off-the-job training</td>
</tr>
<tr>
<td>Motivation</td>
<td>Directing</td>
<td>In-person</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Motivational systems including goal-setting programs</td>
</tr>
<tr>
<td>Leadership</td>
<td>Directing</td>
<td>Leadership</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Meetings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Speeches</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Formal reports</td>
</tr>
<tr>
<td>Teams and groups</td>
<td></td>
<td>Teams and groups</td>
</tr>
<tr>
<td></td>
<td>Control</td>
<td>Group reports</td>
</tr>
<tr>
<td>Short-term</td>
<td>Control</td>
<td>Inventories</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Daily reports</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual income summary</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual balance sheet</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal ratio analysis and reports</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial reports including reports to shareholders</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance appraisal reports</td>
</tr>
<tr>
<td>Long-term</td>
<td>Control</td>
<td>Strategic control</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Formal reports</td>
</tr>
</tbody>
</table>

For Review

Define business communication.

Briefly describe the four main managerial functions.
Everyday Managerial Activities

How do managers carry out the processes of planning, organizing, directing, and controlling? If you were to follow a manager around during the course of the day, it would be tempting to think you never saw any of the functions being carried out. Instead, you would observe the following activities:

- talking on the phone
- making conversation in the hallway
- running formal meetings
- talking in informal groups (such as in the hallway or break room)
- having lunch with key constituents
- socializing with various publics (golf, tennis, cocktails)
- answering correspondence (printed and electronic)
- reviewing and “signing off” on paperwork
- preparing formal reports
- preparing and delivering speeches for electronic or public transmission

The phrase MBWA applies to managers: Managing by Wandering Around. Most of the time, it involves interactions with other people (Horne & Pupton, 1965). Many conversations are interrupted or are disjointed, covering a series of topics in the same meeting. In essence, the job of manager largely consists of communication activities.

During these interactions, managers identify problems, gather information, try to gain consensus for plans of action, give orders, enhance interpersonal relationships, and even gossip. All this data helps the manager make quality plans, reinforce the organizational hierarchy, lead others, motivate employees, direct groups, and collect information that will help in the control process (Pondy, 1978).

Managerial Roles

Henry Mintzberg conducted one classic study of managerial activities, observing a series of top managers as they worked over an extended period of time. Mintzberg discovered that managers spent a considerable amount of time engaging in activities such as conversing in hallways, answering correspondence by mail and by phone, holding both formal and informal meetings, and socializing at events such as lunch, cocktail hours, and golf or tennis matches. He concluded that, by engaging in these activities, managers play various roles in their daily activities. Table 1.5 lists these roles.
## Table 1.5: Managerial roles

<table>
<thead>
<tr>
<th>Interpersonal Roles</th>
<th>Example</th>
<th>Communication Skills Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Figurehead</strong></td>
<td>Ceremonial; give out retirement gifts; ribbon-cutting ceremonies</td>
<td>Short speeches, handshakes and informal greetings, writing letters/acknowledgments</td>
</tr>
<tr>
<td><strong>Leader</strong></td>
<td>Bargaining with unions; meeting with governmental officials; making public speeches</td>
<td>Negotiation, problem-solving, public speaking, writing</td>
</tr>
<tr>
<td><strong>Liaison (internal boundaries)</strong></td>
<td>Resolving internal disputes; assigning tasks to departments; coordinating between departments</td>
<td>Negotiation, problem-solving, conflict resolution, goal-setting, team-building, interpersonal communication</td>
</tr>
<tr>
<td><strong>Liaison (external boundaries)</strong></td>
<td>Meeting with other company managers</td>
<td>Interpersonal communication, negotiation, conflict resolution, listening</td>
</tr>
<tr>
<td><strong>Informational Roles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Collector</strong></td>
<td>Collecting information from other companies; reading reports</td>
<td>Analysis of information; problem-solving; interpersonal communication</td>
</tr>
<tr>
<td><strong>Processor</strong></td>
<td>From the government; reading business journals and industry trade journals</td>
<td>Communication listening</td>
</tr>
<tr>
<td><strong>Processor</strong></td>
<td>Passing information to internal employees and departments;</td>
<td>Interpersonal communication public speaking</td>
</tr>
<tr>
<td><strong>Spokesperson</strong></td>
<td>Acting as company spokesperson</td>
<td>Public speaking</td>
</tr>
<tr>
<td><strong>Decisional Roles</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Resource Allocator</strong></td>
<td>Complete budgeting process</td>
<td>Negotiation, interpersonal communication</td>
</tr>
<tr>
<td><strong>Negotiator</strong></td>
<td>Bargain with suppliers, retailers, unions</td>
<td>Negotiation, problem-solving, conflict resolution</td>
</tr>
<tr>
<td><strong>Entrepreneur</strong></td>
<td>Develop new products; expand internationally</td>
<td>Problem-solving negotiation</td>
</tr>
<tr>
<td><strong>Disturbance Handler</strong></td>
<td>Resolve strikes and disputes</td>
<td>Conflict resolution</td>
</tr>
</tbody>
</table>


### Interpersonal Roles

Many of the personal contacts made by managers relate to interpersonal roles they are expected to play. Some of these originate from the duties associated with organizational rank. The figurehead role consists of the many ceremonial activities present in the company.
When someone retires and is awarded a gold watch or present, often a top manager presents that gift. Members of the management team are among those selected to cut the ribbon at the opening of a new unit or wing of a building. They often double as MCs (master of ceremonies) for events or fill requests to make short, appropriate comments. Managers are expected to respond to important incoming mail and make acknowledgments for various types of requests, including items as benign as a tour of the business facility.

In the role of leader, the manager takes charge and directs activities. Leadership goes beyond planning, directing, and control. It encompasses personal skills and characteristics such as persuasiveness, charisma, and team-building (Kotter, 1999). Leaders are the visible persona of the overall organization and communicate in individual, group, and organization-wide settings, effectively using verbal and written skills.

The liaison role emerges when a manager bridges an organizational boundary. Some boundaries divide parts of the organization internally. Effective managers build cooperative relationships with managers in other parts of the organization. At times, doing so includes overcoming problems and disputes. When a manufacturing manager seeks to standardize products to the greatest degree possible and the sales manager wants every item tailor-made, the top management expects them to resolve the differences by understanding the goals and perspectives of each side. The production manager wants to optimize output at the best possible cost. The sales manager wishes to serve the customers’ needs. Many managers spend nearly half their time working with managers from other departments (Horne & Lupton, 1965; Bedeian, 1986, p. 13).

The second boundary to be crossed is the one that divides the organization from its larger environment. A liaison also forms relationships with leaders in other organizations, including those who conduct business with the company, and members of the government and local community. Socialization at this level includes belonging to civic organizations and attending civic events as well as quieter, less-visible connections (Dollinger, 1984).

### Informational Roles

Management communication skills directly apply to the informational roles managers play. In the role of monitor, one key managerial activity consists of collecting information about the company’s external environment that might affect the firm’s operations. This is called scanning the environment, and it involves attending meetings and social events, reading news releases and stories, making phone calls, surfing the web, and other
methods. Ineffective managers are constantly taken by surprise if they do not scan the environment. Effective managers are on top of things.

The role of disseminator includes decision-making and information transmission. Disseminators make decisions about which individuals and groups should receive key information. Information transmission takes several forms, such as an informal conversation, a formal meeting, an email or letter, and satellite transmissions or teleconferences with employees in distant locations. Successful managers know how to keep the right people in the loop so that they can effectively perform their jobs.

Managers who serve as spokespersons probably assume the most visible informational role, presenting messages to the media. Some of these messages are limited to the transmission of facts, such as when an accident or emergency occurs. Other messages take the form of persuasion and opinion. A hospital executive serves as a spokesperson when writing an op-ed piece for the local newspaper about ways to manage rising health care costs.

Decisional Roles

One of the most exciting aspects of serving as a manager results from the decisional roles played. This is especially the case when the manager serves as the organization’s entrepreneur. The manager initiates change by leading the way in creating new goods and services, delivering the products using innovative methods, and finding methods to enhance and upgrade older products in a manner that refreshes interest in them. In addition to designing and bringing new products to market, company leaders make decisions to delete some aspects of its operations, such as choosing to close certain operating locations or eliminate products. When activities stop, these managers help soothe the raw emotions of those who are displaced by the changes. Managers engaged in entrepreneurship require conceptual understanding of the marketplace, the company’s customers, and the organization’s capacity to adapt to changing circumstances.

As disturbance handlers, managers take the lead in helping to resolve any type of organizational crisis. Some of these result from managers failing to properly oversee an activity, where the event evolved due to negligence or misunderstanding of the circumstances. For example, failing to take seriously employee complaints about unhealthy working conditions, or ignoring the actions of an overly aggressive supervisor, can lead to a crisis in which a strike or work slowdown results. Other crises result from unpredictable events, such as a natural disaster or terrorist attack. In both situations, the manager identifies the source of the problem and finds reasonable solutions.

Resource allocation goes beyond signing off on an annual budget. While the distribution of financial resources constitutes a major part of this role, other resources are allocated as well. A manager decides who receives a choice office space. A manager may decide which employee receives secretarial support and who does not. Managers allocate time to various projects and ideas, developing some and rejecting others. Every type of allocation contains the potential for conflict. Employees become unhappy when their budgets are lower or their needs are not met. Resource allocation requires wise judgments and the ability to effectively communicate decisions and the rationale for each decision.

The role of negotiator closely relates to resource allocation. This element of the role includes bargaining within the organization, most notably with unions and employee
groups as well as with outside organizations. Managers negotiate terms of relationships with suppliers and retail outlets. Retailers and manufacturers negotiate, as do wholesalers and other intermediaries.

As Table 1.5 indicates, various communication skills are part of every role that Mintzberg suggests managers play. Some of these activities take place at the interpersonal level; others require use of communication systems within the organization. Others still depend on contacts made across organizational boundaries. Managers must effectively communicate to enact their interpersonal, informational, and decisional roles. Managers who adeptly apply these skills achieve the greatest levels of success, in terms of both organizational effectiveness and being viewed as talented and worthy of promotion.

For Review

Name the three categories of managerial roles Henry Mintzberg suggested and provide examples of each type of role.

1.4 Managerial Levels

Learning Objective #4: What types of communication take place at the main levels of management?

The activities and functions of management take place on three primary levels: (1) strategic, (2) tactical, and (3) operational (Gomez-Mejia, Balkin, & Cardy, 2005, p. 9). The level of management involved affects management communications. Each type of manager relies on a different set of communication venues, depending on the person’s rank and position in the organization (Bateman & Snell, 2002).

Strategic Management

Strategic managers include the company’s chief executive and those of the next highest rank. Typical names for the top manager are chief executive officer (CEO) or president. The strategic executive team consists of individuals with titles such as chief operating officer (COO) or the vice president of a function, such as vice president of marketing or vice president of production. Together these individuals plot the course of the overall organization. Strategic plans and decisions made by this group extend for many years. The strategic management team creates policies, which are the organization's general guidelines. One policy of Southwest Airlines is to maintain an employee-friendly environment. A policy for the Mountain Dew line of products, which is a part of PepsiCo, is to sell high-energy soft drinks to a target market largely consisting of younger consumers. The documents produced by the top management team include:

- strategic plans
- policies
- statements to shareholders
- official decisions
Verbal communications at this level include group meetings, speeches to groups of employees, speeches to external publics, and interactions with the media.

**Tactical Managers**

The middle tier of managers directs specific functions and activities, such as information technology, production, quality control, research and development, marketing, sales, and accounting. These managers have risen through the ranks because of a combination of technical skills and managerial success. They are proficient at their functions (selling, producing products, developing new products, managing accounting operations) and have exhibited the ability to raise the performance levels of others. Their planning process involves creating programs that support strategic plans. These plans are called *tactics*. Tactics in marketing include a new advertising campaign, combined with a new package or label, in order to invigorate a product’s appeal. Tactics in the warehouse include the shift from standard inventory control methods to more modern approaches, such as the just-in-time system, which more efficiently coordinates the flow of merchandise from the manufacturer to the retail store. Tactics normally run for about three years.

Tactical managers create directives called *functional area policies*, which take company policies and apply them to specific activities. In the case of Mountain Dew, the functional area policy in human resources is to hire people who relate well to youngsters. The functional area policy in research and development is to create products that are high energy, brightly colored, and appealing to a youthful audience. In accounting, ongoing systems continue, such as rapid depreciation methods, and methods of valuing inventory, such as FIFO (first in, first out) or LIFO (last in, first out). These provide continuity for the department over time.

Tactical managers engage in a variety of communications. On a verbal level, this includes:

- interactions with managers in other departments
- interactions with top management
- interactions with first-line supervisors

Many times, tactical or middle managers must adapt to the “superior-subordinate syndrome,” which means that at times they deal with people of higher rank and that at others they lead people at lower levels in the hierarchy. Seamlessly adjusting to both roles requires quality verbal communication skills (Robbins & Hunsaker, 1996, pp. 73–75).

Written communications by middle-level managers include functional area policies, medium-range plans, notations of specific decisions and directions related to departmental activities, and notes or minutes of meetings with other departmental leaders.

**Operational Managers**

Operational managers are first-line supervisors, department managers, and office managers. They direct the activities of specific functional employees. A supervisor in the production department oversees the actual manufacture of products. A supervisor in the accounting department manages payroll, accounts payable, and accounts receivable. A head waiter oversees all servers. An office manager in a physician's office takes care of
Operational managers engage in direct, interpersonal conversations and interactions as a primary part of the job. The nurses, patients, paperwork, and the doctor’s schedule.

Operational managers engage in direct, interpersonal conversations and interactions as a primary part of the job. Much of this work is verbal. First-line supervisors train employees, correct their mistakes, and teach them about the company’s rules and discipline system. First-line supervisors also provide mentoring, counseling, and coaching, as well as motivational and leadership activities. Other verbal interactions include team meetings with employee groups and with other supervisors.

The written forms completed by first-line supervisors include:

- daily reports
- notices of disciplinary actions
- work schedules
- inventory reports
- memos to middle managers

Operational managers may not need the same level of writing skills as a middle- or strategic manager, because less written communication is required at that organizational level. At the same time, however, a supervisor who writes a crisp and informative memo or report will likely capture the attention of those at higher ranks. This can bode well for being admitted to a manager training program or being promoted to middle management.

Strategic, tactical, and operational managers all engage in managerial communications. The modes and messages vary, as do the skills needed evolve as a person moves through organizational ranks. Table 1.6 notes the blend of technical, human-relations, and conceptual skills required in managerial functions.

### Table 1.6: Managerial focus

<table>
<thead>
<tr>
<th>Rank</th>
<th>Conceptual/Technical Skills</th>
<th>Human Relations Skills</th>
<th>Required Writing Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>High conceptual, low technical</td>
<td>High human relations</td>
<td>High</td>
</tr>
<tr>
<td>Tactical</td>
<td>Moderate conceptual, moderate technical</td>
<td>High human relations</td>
<td>Moderate to high</td>
</tr>
<tr>
<td>Operational</td>
<td>Low conceptual, high technical</td>
<td>High human relations</td>
<td>Low to moderate</td>
</tr>
</tbody>
</table>
For Review

What are the three levels of management?

Explain how conceptual, technical, and human relations activities are part of the three primary management levels.

1.5 Business and Management Communication Trends and Career Success

Learning Objective # 5: How will business and management communication trends influence careers and career success?

Business and management communication are among the most rapidly changing areas of commerce. As technology creates new products, product improvements, and improvements in production methods, it affects the ways in which individuals, managers, and companies communicate. Social trends also influence business communication. Immigration patterns have altered the composition of the United States population. Advances in medical technologies allow people to live longer.

Current Trends

To communicate effectively in business and management communications, you must be aware of several current trends. These factors play key roles in company operations and influence individual career success. Business and management communication practitioners must adapt to the following trends:

- diversity
- globalization and outsourcing
- pace of life and work
- evolving workplace technologies
- influence of social media
- ethical challenges

These factors have reshaped the ways in which many jobs are performed and the management processes that guide employees.

Diversity

Management and business communication skills include the ability to adapt to an increasingly diverse work force that includes persons from a variety of backgrounds. The most commonly cited facets of employment diversity are race and ethnicity, age, gender, sexual orientation, socioeconomic status, and physical abilities and challenges.
Race and Ethnicity

African Americans, Hispanics, and Asian Americans constitute three of the largest minority groups found in the United States (United States Census, 2011). Statistical racial composition profiles are somewhat skewed, however, because Hispanic is not considered to be a race. The presence of majority and minority groups influences numerous company activities.

Racial and ethnic groups of all kinds create unique marketing opportunities. Target markets reflecting different cultural values have emerged (Haddad, 2003). Increased interest in the requirements of a specific culture can make a culturally distinct product, such as the Japanese futon bed, that appeals to a greater number of customers in a variety of countries.

Furthermore, persons from various backgrounds bring unique perspectives to the work force. Managers who are adept at incorporating such perspectives into the organization create a healthy work environment that is inviting to new applicants. For example, Fortune magazine annually lists employers that are most hospitable to individuals from various ethnic backgrounds (CNN Money, 2011).

Continuing cultural bias and discrimination toward certain groups by some in the United States creates challenges to managers in diverse organizations. At times, language barriers also exist, such as when a manager who speaks only English has employees whose first language is Spanish.

Age

Differences in age can be expressed as cultural differences. Each generation’s distinct experiences lead to communication difficulties. Currently, the first members of the Baby Boomer generation (those born between 1945 and 1955) are beginning to reach retirement age. Many are reconsidering retirement, because of a series of poor judgments regarding ways to spend and save money, combined with recent economic turmoil. The Baby Boomer generation also works with persons who are currently in their 30s and 40s, known as Generation X (those born between 1956 and 1981). Many of these younger individuals are frustrated by being unable to move up in the organizational hierarchy because of the continued presence of older workers. Generation Y workers (those born after 1981) often express different values from Generation X, including the unwillingness to exchange personal and family time for long hours sitting at a desk. Managers working with persons from these different generations, sometimes called generational cohorts, help smooth over these divergent views of the world and communicate in a way that is appropriate for all.
Gender
Among the continuing differences between men and women in organizations are pay differences, tendency toward various types of jobs, and the glass ceiling effect in which women are less likely to become top executives. Communication patterns and how they differ between men and women on the job garner attention, as will be described in Chapter 2. These differences in communication at times serve to disrupt the business environment, and good managers know how to address them.

Some gender issues have been improving, such as recent legal gains in the areas of pay equity through the Lilly Ledbetter Fair Pay Restoration Act of 2009. Also, a growing number of women hold the rank of CEO, and increasing equality among men and women has begun to emerge in certain professions.

In the area of business communication, greater numbers of individuals know how to remove gender bias and gender connotations in both verbal and written messages. These include even basic changes in language choices, such as using the gender-neutral “server” rather than “waiter” or “waitress,” or “chair” rather than “chairman,” “chair woman.” Still, most business communication experts agree that issues of gender insensitivity remain in many organizations.

Sexual Orientation
More people now willingly identify their sexual orientation to others. Recent changes, including the repeal of the “don’t ask, don’t tell” policy within the United States military, have altered the landscape. Still, sexual taunting and harassment continues as well as demeaning language targeted at various individuals. Management and business communications lead the way in making the workplace a more comfortable environment for persons who have been subject to such bullying.

Socioeconomic Status
Socioeconomic status is determined by a series of factors, including ethnicity, income level, and degree of educational attainment. The gap widened between those of high income and educational levels and those of lower economic status in the early 2000s. In the workplace, managers often find that one set of employees has received advanced training and that another has lagged behind. Communicating effectively with both groups, as well as bridging divides between them, constitutes another important management challenge.
Physical Abilities and Challenges

Physical challenges come in many forms, including those associated with hearing, seeing, and speaking; abilities related to mobility; problems associated with socialization; and difficulties in communication and comprehension. The Americans with Disabilities Act of 1990 makes it clear that organizations must find ways to accommodate persons with such challenges. The first part of the law applies to discrimination by state and local governments, and requires those entities to provide structural accessibility. Another element regulates private enterprises that provide public accommodations, including hotels, restaurants, and transit systems. The law also makes telecommunication devices and services available to hearing-impaired people and provides for dispute resolution (Municipal Research and Services Center, 2011).

The language used to describe individuals with disabilities affects management and business communication. Individual companies seek to find ways to communicate how access is being provided to those looking for jobs and persons conducting business with them as customers, suppliers, or other publics.

Diversity issues are important to keep in mind in business and management communication. Effective managers recognize that employees are unique individuals with varying backgrounds, values, interests, and communication styles. Successful managers adjust to these differences and encourage others to work in an accepting, responsible manner. They also work to improve management communication systems to ensure a better workplace for persons of all backgrounds. Doing so includes monitoring of communication patterns in formal channels and in terms of what is said informally, through gossip, rumors, and other statements (Business Week, 2003).

Globalization and Outsourcing

Throughout this text, it is noted that business is no longer confined to a nation’s borders. Many companies now engage in operations with international partners. International conglomerates are only one form of globalization. Small manufacturers obtain component parts from companies in other countries through the process of outsourcing. Service providers find ways to enter new international markets, such as the Bank of India operating in the state of New York. Business and management communication functions must adapt to cultural differences, new markets, increasing competition, and even time differences as part of the everyday work experience.

Pace of Life and Work

Operating in real time has become commonplace in today’s business world as employees keep pace with rapidly changing events. New technologies make it possible to maintain contact with the company on a continuing basis. One communication challenge results from employees feeling as though they are bombarded with information and manager demands. It becomes difficult to know which response to offer first, when a person opens a laptop to discover 30 emails are waiting. Many of today’s workers also feel somewhat trapped by company cell phones that they are required to answer on the weekends and tablet computers with GPS devices that make it possible to track their every movement.
Management communication consists of building trust. Constantly watching over someone’s shoulder implies something else.

**Evolving Workplaces**

Communication technologies make it possible to work in a variety of new settings and new ways. *Telecommuting jobs*, in which employees work at home and maintain electronic contact with the company, are more common. *Teleconferencing* and *satellite transmissions* make it possible to create business contacts around the world. Technologies such as Skype allow face-to-face conversations from remote locations. Today’s employees are expected to operate, understand, and adapt to new devices and programs on a continuing basis. Some older managers need to adjust to far fewer in-person conversations and to rely more on electronic contacts than in the past.

**Influence of Social Media**

The emergence of social media has been well documented. People are communicating in different ways—tweeting or texting rather than talking. In the world of commerce, social media sites change the ways in which business is conducted. Table 1.7 identifies popular social media websites. Customers can friend a product, form brand communities to share experiences with others who purchase the same items, or complain about poor treatment by a company to a wide audience. For most firms, a website is not a complete presence in the marketplace: Links to social media have become vital ingredients. Management communication has changed to account for these new venues, as they create a series of new contacts with various publics and stakeholders. Individual employees rely on sites such as LinkedIn to maintain contacts with business associates. These relationships may help during a job search or when someone seeks career advice or assistance.

<table>
<thead>
<tr>
<th>Table 1.7: Popular social media websites</th>
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<tbody>
<tr>
<td>Facebook</td>
</tr>
<tr>
<td>Twitter</td>
</tr>
<tr>
<td>MySpace</td>
</tr>
<tr>
<td>LinkedIn</td>
</tr>
<tr>
<td>Google+</td>
</tr>
<tr>
<td>Ning</td>
</tr>
<tr>
<td>Tagged</td>
</tr>
<tr>
<td>hi5</td>
</tr>
<tr>
<td>myyearbook</td>
</tr>
</tbody>
</table>

Ethical Challenges

New technologies, increased globalization, and other trends complicate our understanding of what is legal, ethical, both, or neither. Never before in history has a person been able to cyberbully a rival. Never before have managers been able to so closely look into an applicant’s personal life, including videos or photos of youthful indiscretions. The entire world of commerce has been rocked by scandals in the areas of market manipulation, pyramid and Ponzi schemes, financial market failures, and more.

Many of today’s managers and employees operate in a cloudy, frustrating, and confusing environment, especially those seeking to maintain high ethical standards. For example, in the field of business communication, one financial tactic, short-selling, included the transmission of false or tainted information about a company in order to drive down the organization’s stock price, solely for the purpose of generating personal profits and returns for investing clients.

As this brief review indicates, change is a dominant theme in business. It also applies to business and management communication. Career success for many individuals involves the ability to respond to the issues and challenges created by diversity, globalization, and a new, fast-paced workplace that is strongly affected by the presence of social media, along with the many emerging ethical and moral challenges. Beyond training in the area of communication, managers constantly evaluate and upgrade how they do their jobs, how they supervise others, and how they send, receive, and process messages.

For Review

What factors have had an impact on business and management communication in the past decade?
What has the impact been?

Communication and Career Success

Many high school seniors write essays as part of the application process to a college. Others write statements designed to help them receive financial assistance and scholarships. These basic writing assignments are only the beginning of using communications skills to advance a career. From there, verbal and written communications skills help promote people in ways that lead to being noticed and achieving career goals throughout the rest of their working lives.

One of the primary purposes of this book is to make sure you understand the pivotal role communications skills will play in your personal and professional future. Professionally, you must understand the importance of quality communication in any type of organization: profit-seeking, nonprofit, or governmental.
If you make a trip to a local bookstore and stop in the “relationships” section, one thing that might jump out will be how many titles in some way connect communication to romantic success. The case can easily be made that communication enhances or destroys a romantic involvement and the same holds true for an employment experience. Sypher (2006) identified four key communications abilities: (1) cognitive differentiation, (2) self-monitoring, (3) perspective taking, and (4) persuasive ability. In a study of members of an East Coast insurance company, the data indicate that the four abilities are related to each other, and more important, are also predictive of upward mobility. Studies such as this confirm that communication skills strongly relate to career success.

At work, at least three forms of communication take place on a daily basis: (1) interpersonal business communication, (2) interpersonal social communication on the job, and (3) building friendships and relationships through the combination of both. Your skills in each of these areas help determine whether the workplace is a pleasant or difficult environment.

Interpersonal—Business
Effectively communicating with others in order to complete workplace assignments is one primary focus of this book. In the chapters ahead, every form of written and verbal communication on the job receives attention. You have probably heard someone comment that an employee “acted in a professional manner” or “was really unprofessional.” A great deal of these impressions results from how that individual communicated with others, in person, on paper, and through electronic interactions.

More often than not, you encounter at least one individual whom you do not like, somewhere in the company. The ability to maintain cordiality and to have professional relations with that person suggests a level of maturity and professional competence that indicates you are management material. Petulant or aggressive interactions present an image of someone who is not quite ready to move up the ranks (Osborn, 2001).

Interpersonal—Social
Many friendships begin with two people who meet on the job discovering common interests and developing bonds that go far beyond the workplace. Communication skills that serve you well include those that are part of engaging in the many social activities taking place at work, as well as creating friendships and mentoring relationships.

Social interactions are part of daily work life. Chance meetings in a hallway, office parties to celebrate birthdays, holiday parties, celebrating promotions, off-site dinners, and cocktail hours are examples of socialization on the job. If you watch carefully, someone will stand out because of his or her ability to “work the room” in those situations. This individual seems to know everyone’s name and something about each person. Chances are the conversation concerns the other person’s interests and activities. Everyone comments that the person is a “good guy” or a “great lady.” Knowing how to build those bonds, without appearing to be phony or political, is a useful skill in management.
Friendships and partnerships at work take time to develop. Building friendship often involves overcoming disagreements and conflict along with enjoyable bonding activities. Eventually respect and closeness emerge.

Combining Business and Social Relationships

Long-term employees normally discover that business relationships and social relationships begin to merge. Meetings include the nuts and bolts of a company issue combined with friendly banter. Those become the circumstances in which the workplace environment feels comfortable and accepting. Reaching that point requires the people involved to communicate effectively with one another.

Personal Success Activities

As described in detail in later chapters, the ability to communicate clearly creates many advantages related to your personal success. Among the topics examined in the pages ahead are the relationships between communication skills and:

- obtaining a job
- perceptions of competence
- conflict management
- conflict mediation

Obtaining a job represents one of the first career challenges an individual encounters. Experts in the area of human resource management point out that a lengthy, gaudy, or hard to read resume likely ends up “in the circular file” (the wastebasket or trash folder). A poorly written cover letter probably meets a similar fate. This means that you need quality writing skills before entering the doors of a potential employer. During an interview, many human resource managers make the decision to eliminate a person from consideration within the first 10 minutes. Effective conversational skills and interviewing acumen can make the difference in getting over that hurdle. A career in management doesn’t begin until that first job has been attained.

Perceptions of competence, including acting in a professional manner, largely depend on the ability to present ideas in an engaging way. Both verbal and written communications create perceptions of competence or lead the receiver to believe the sender does not have...
Before communication occurs, a talent many employers desire is critical thinking. The ability to analyze a situation and produce an effective response is based on a series of activities, of which communicating is only the end result, including:

- assessment of the problem or situation
- application of a theory or model
- analysis of potential courses of action
- discovery of the best option or combination of options
- communicating a plan of action

Employers value individuals who do not make knee-jerk reactions. Even in situations in which time is of the essence, critical thinking demands correct identification of the problem. Applying a theory or model involves two activities: (1) choosing which to use, and (2) correctly adapting the approach to the issue. Critical thinkers use both inductive and deductive reasoning processes to assess a circumstance and all possible alternatives. Many business leaders find methods such as brainstorming helpful in discovering innovative answers to difficult questions. Finding the optimal alternative or alternatives to resolve a problem may include the application of various analytical approaches. The field of decision science offers several methods that are useful to unique situations. Those who know how to apply the methods reach more-rational solutions with better chances to succeed.
The final step of critical thinking and decision-making is communicating what is to be done in a clear and confident manner. Conviction plays a key role in making an alternative work. The ability to inspire confidence in others that a problem can be resolved and that the correct option has been selected constitutes another valuable management communication skill.

**Ethical Considerations in Making Decisions and Critical Thinking**

Critical thinking and decision-making often involve making ethical choices. Various ethical frameworks can guide these moments. **Business ethics** are moral principles that provide standards and guidelines regarding the conduct of commerce. Four frameworks assess ethical components of decisions and other thought processes: (1) utilitarianism, (2) individualism, (2) the rights approach, and (4) the justice approach (Velasquez, 2005).

*Utilitarianism* is a means of making decisions based on what is the greatest good for the greatest number of people. Utilitarianism is sometimes referred to as the “calculus of pain,” because it tries to minimize pain and maximize pleasure for the greatest number of people. Those who are not among the greatest number of people, the minority, may not fare well under utilitarian reasoning.

*Individualism* is the degree to which society values personal goals, personal autonomy, privacy over group loyalty, commitments to group norms, involvements in collective activities, social cohesiveness, and intense socialization. Based on these values, ethical decisions are largely based on personal self-interests, so long as one’s actions do not harm others.

The *rights approach* is a means of making decisions based on the belief that each person has fundamental rights that should be respected and protected. These rights include freedom of speech, privacy, and access to due process, plus the right to a safe and healthy environment at work and at home.

The *justice approach* is a method of decision-making based on treating all people fairly and consistently when making decisions. Distributive justice concentrates on the fairness of rewards, punishments, and outcomes. Procedural justice focuses on fair and consistent application of rules and protocols.

Throughout, this text describes ethical implications of various business communications efforts. Often, no clear-cut resolution to an ethical dilemma appears; however, ethical reasoning makes it possible to reach informed, responsible choices.

**For Review**

Define business ethics.

What are the four primary ethical frameworks?
1.7 Chapter Review

Communication may be defined as transmitting, receiving, and processing information. Interpersonal communication takes place between individuals or is directed by one individual to a set of people, such as a group or audience. Communication systems are the methods and technologies used to transmit information throughout an organization. Communication systems include group dynamics (intra- and inter-group) as well as the most complex methods of moving information throughout an organization.

As a firm passes through the stages of its life cycle, the messages sent out change, the media available to send messages evolve, and the audience shifts. Company leaders succeed when they are able to identify the right voice and message for each phase. Skills in the areas of business communication and management communication are vital at all times.

Publics include every group that has contact with an institution. One set of publics is essentially neutral regarding what takes place within a firm. Stakeholders consist of the publics, or individuals and groups, that have vested interests in an organization. Business and management communications are used to reach both groups.

Business communication consists of the total set of venues used to transmit messages to all publics and stakeholders, within the company and outside the company. Management communication includes all efforts to systematically plan, implement, monitor, and upgrade the channels of communication within the organization and with outside organizations that affect a company’s internal operations. Managerial communication applies to the functions and activities of the management team. Effective management communication relies on continual monitoring and upgrading of channels.

Management is getting things done through others. It involves four functions: planning, organizing, directing, and control. Each requires key communication skills and activities.

Managers play interpersonal, informational, and decisional roles, each requiring communication skills. Interpersonal roles include figurehead, leader, and liaison. Informational roles consist of monitor, disseminator, and spokesperson. Decisional roles involve being an entrepreneur, disturbance handler, resource allocator, and negotiator. The activities and functions of management are carried out on three primary levels: strategic, tactical, and operational. Each requires specific communication skills.

Business and management communication practitioners must adapt to many trends, including diversity, globalization and outsourcing, the increased pace of life and work, evolving workplace technologies, the influence of social media, and ethical challenges. Employees in today’s work environment have improved chances for success when they are effective communicators. Interpersonal business communication, interpersonal social communication on the job, and building friendships and relationships take place on a daily basis. Your skills in each of these areas help determine whether the workplace is a pleasant or difficult environment.

Critical thinking is another talent employers desire. In addition, an increased emphasis on business ethics, or standards and guidelines regarding the conduct of commerce, has
taken place. Four frameworks used to assess ethical situations are: utilitarianism, individualism, the rights approach, and the justice approach. It helps to remember that, in the world of business, everything communicates.

**Key Terms**

**business communication** The total set of venues used to transmit messages to all publics and stakeholders, within the company and outside the company.

**business ethics** Standards and guidelines regarding the conduct of commerce.

**communication** Transmitting, receiving, and processing information.

**communication systems** The methods and technologies used to transmit information throughout an organization.

**interpersonal communication** Communication that takes place between individuals or directed by one individual to a small set of people.

**management** Getting things done through others.

**management communication** All of the efforts to systematically plan, implement, monitor, and upgrade the channels of communication within the organization and with outside organizations that affect a company’s internal operations.

**publics** Every group that has contact with an institution.

**stakeholders** Individuals and groups holding vested interests in an organization.

**For Review With Possible Responses**

1. Define communication.
   *Communication is transmitting, receiving, and processing information.*

2. Explain the three main elements of the definition of communication as they relate to the concept of meaning.
   *The three elements are transmitting, receiving, and processing of information. Each is necessary to transfer meaning from one person to another.*

3. What two levels of communication are present in the business community?
   *The two levels are interpersonal and business communication systems.*

4. What are the four parts of a life cycle?
   *The four stages are introduction, growth, maturity, and decline.*

5. Define publics and stakeholders.
   *Publics include every group that has contact with a company or organization. Stakeholders consist of the publics that have vested interests in an organization.*

6. Define business communication.
   *Business communication consists of the total set of venues used to transmit messages to all publics and stakeholders, within the company and outside of the company.*

7. List five modes of written and verbal business communication.
   *Written includes letters, memos, job application forms, business proposal forms, internal reports, reports to shareholders, contracts, company manuals and handbooks, company magazines and newspapers, bulletin boards, and public relations releases. Verbal...*
communication includes face-to-face interactions, meetings, presentations, speeches, and news conferences.

8. Define management communication.
    *Management communication consists of all efforts to systematically plan, implement, monitor, and upgrade the channels of communication within the organization and with outside organizations that affect a company's internal operations.*

9. Define management.
    *Management is getting things done through other people.*

10. Briefly describe the four main managerial functions.
    *The four managerial functions are planning, organizing, directing, and maintaining control.*

11. Name the three categories of managerial roles suggested by Henry Mintzberg and provide examples of each type of role.
    *The three categories are interpersonal, informational, and decisional.*

12. What are the three levels of management?
    *The three levels are strategic or top level, tactical middle managers, and operational first-line supervisors.*

13. Explain how conceptual, technical, and human relations activities are part of the three primary management levels.
    *As a manager is promoted to higher levels, the job becomes less technical and more conceptual. The degree of human relations activities changes, from direct supervision to interacting with publics and stakeholders as well as other managers.*

14. What factors have had an impact on business and management communication in the past decade?
    *The areas are:*
    - diversity
    - globalization and outsourcing
    - pace of life and work
    - evolving workplace technologies
    - influence of social media
    - ethical challenges

15. Explain how communication skills are related to personal career success.
    *They influence interpersonal business relationships, social relationships, and combinations of business and social relationships.*

    *Business ethics are the moral principles that set standards and provide guidelines regarding the conduct of commerce.*

17. What are the four primary ethical frameworks?
    *They are utilitarianism, individualism, the rights approach, and the justice approach.*

**Analytical Exercises**

1. Information takes the forms of terms or words, symbols, figures or numbers, a single concept, and sets of concepts combined. Explain how nonverbal communications, such as gestures, facial expression, physical distance in a conversation, and posture, relate to the concept of information.
2. In which stage of the life cycle would you place Southwest Airlines? Defend your answer. Would your answer be the same for the overall airline industry? Why or why not?

3. Make a list of publics and stakeholders for the following organizations:
   a. Ford Motor Company
   b. Revlon cosmetics
   c. United States Postal Service
   d. Roman Catholic Church
   e. Craigslist

4. Provide examples of how Managing by Wandering Around is part of planning, organizing, directing, and control functions.

5. Make a list of the managerial roles provided by Henry Mintzberg. Place them into categories explaining how they could be played out by operational, tactical, and strategic managers. Why do some of the roles only apply to top level management?

6. Make a list of how the trends of diversity, globalization, pace of life and work, evolving workplaces, influence of social media, and ethical challenges create (a) problems and (b) opportunities for managers. Apply the lists to these circumstances:
   a. manufacturing operations
   b. companies that sell services
   c. nonprofit organizations
   d. governmental organizations

7. Explain how social media such as Facebook and LinkedIn blur the line between what would be considered formal, business-oriented communication and informal, social communication.

8. Gather five friends. Ask each one to make a list ranking the top five communication skills they think are most important to having a successful career. Compare each of the lists. Choose one partner. Make a list of the communication skills your partner possesses. The partner should prepare his or her own personal list. See if you agree or disagree on the skills mentioned in the list. Then, reverse the roles to see if there is agreement or disagreement about your skill set.

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1.8 Case Studies

Case Study 1: The New CEO

The Home Center is a national chain of retail stores that offers a wide variety of home improvement products to individuals, construction professionals, and companies. The variety of products sold include plumbing, heating, lumber, electrical, carpeting, appliances, tools, paints, garden equipment and supplies, a limited line of garden furniture, and other items. Its primary competitors are similar chains such as Lowe’s and Sutherlands. (continued)
The Home Center had enjoyed a decade of strong growth in sales, market share, and customer loyalty. When CEO Floyd Mason announced his retirement, the news swept through the company. Many were nostalgic and saddened that he was leaving, grateful for his style of leadership. Mason had modeled much of his style from legend Sam Walton, who pioneered the growth of Wal-Mart. Mason would travel to various stores in everyday attire, visiting with customers and employees, whom he called “partners.” The longer version of the name was “partners in the journey.” He responded to employee letters and regularly read from the company’s suggestion box. Any suggestions that led to change were rewarded with recognition and company merchandise.

The Home Center’s Board of Directors hired Robert Marconi as the new CEO. Marconi had spent most of his career in retail sales, leading a regional retailing chain to modest profits and growth. The Board of Directors believed Marconi’s ability to enhance profits would serve The Home Center well.

After watching operations and studying company documents for the first few months on the job, Marconi believed that cost-cutting would lead to higher profits. He concluded that The Home Center’s loyal customer base would not be affected by the changes he was about to implement.

Marconi noted that many of The Home Center’s employees were formerly trade workers, such as carpenters, painters, and electricians. Many had retired from the trade, because the physical demands of the job became too difficult. Others had been employed by companies that had failed. These individuals were paid far above minimum wage, as much as $4.00 per hour over the standard rate in most states.

The first directive Marconi sent to store managers was to begin reducing the number of trade employees and replace them with part-time workers. He believed the cuts in payroll would generate substantially higher margins on sales. Also, by utilizing part-time workers, the company was able to cut payments to employee benefit plans, including health insurance. In the first six months following the changes, profits began to increase.

Not long after, sales and profits began to plummet. The Board of Directors hired an outside consulting firm to investigate the causes. The consulting firm’s report suggested that several problems had emerged. First, employee morale began to sag, as many workers lost friends and associates from the cutbacks. The employees also believed that they were being squeezed so that stockholders could receive greater dividends. They resented the new part-time workers. The resentment deepened when it was announced that Marconi received a $10 million bonus for his first year’s work.

More extensive research revealed that customers had also become frustrated. They had been willing to pay slightly higher prices for products in exchange for being able to consult with a professional about their home improvement tasks. Someone painting a den could visit with a painter. A person trying to install drywall could get tips from a former drywall installer. Now, customers more often encountered uninterested part-timers who acted like they didn’t want to be bothered.

Within two years, Marconi was fired. He received a $40 million exit check. Morale at The Home Center worsened. The new CEO spent the next three years trying to repair all of the damage that had been done and put the company back on track.

Review Questions
1. What was being communicated by CEO Floyd Mason to his stakeholders?
2. What was being communicated by CEO Robert Marconi to his stakeholders?
3. What types of messages would help rebuild employee morale at The Home Center? What format should be used to present those messages?
4. What types of messages would help restore customer confidence in The Home Center? What formats should be used to present those messages?
Case Study 2: The Choice

Rachel Peterson served as the human resource director for a regional upscale retail chain that featured men’s, women’s, and children’s clothing, fragrances, high-end cutlery, some sports attire, and other sundry items. The chain consisted of 17 stores in a five-state area. All but two of the stores had grown by more than 10 percent in total sales over the past three years.

Peterson was in charge of helping to select the next manager who oversaw all of the children’s clothing departments. Only internal candidates were considered. Five children’s department managers applied for the position, and three managers from other departments also submitted applications. After reviewing the records of the applicants and conducting interviews with each one, Rachel narrowed the list to three finalists. She was asked to write a summary report for these individuals. The results were as follows:

Meg Whaley

Whaley has been with the company for 12 years. She was in charge of children’s clothing in one of the smaller stores in a town with a lower population than the cities in which other stores were located. Due to the local circumstances, Meg worked more hours and had fewer sales associates in her department than were found in other stores. Still, Meg consistently met and exceeded target sales quotas. In her interview, Meg commented, “I don’t see people in my store as customers. I see them as new friends.” She had received praise for excellent customer service on numerous occasions, and had a series of letters and thank-you notes from customers in her files.

Whaley’s employees were mostly positive. They noted that she would take the time to explain things and rarely became irritated or angry. The primary complaint was that Meg would “steal” sales by stepping in when a customer seemed to be wavering about making a purchase. Meg also knew her best customers and made sure no one else waited on them. Her employees believed that, as long as Meg felt like she was in charge, she was easy to please.

Whaley’s store manager noted that she was sometimes lax about completing paperwork on time. She would also complain about how the store and chain were managed in the presence of customers, using it as a tactic to gain the customer’s confidence that she was on that person’s side. She also did not spend a great deal of time interacting with other department managers.

Lawrence Jablonsky

Jablonsky joined the company eight years ago. He was department manager in the men’s clothing department in the largest and most successful store in the chain. His department was near the top in every selling category, including overall sales, return visits, ticket order size, customer service ratings, and credit applications taken during sales. The department had the largest number of employees of any men’s clothing department in the chain.

Lawrence spent considerably less time with individual customers. He concentrated on training and mentoring new sales reps while motivating longer-term employees. He believed that items such as merchandise displays and in-store discounts were highly important elements in generating the best sales figures.

The employees who worked for Lawrence often commented that they knew he had aspirations to move up in the company. They would hear him make comments such as, “If the store manager would just listen to me...” and some kind of marketing or management suggestion would follow. The employees stated that Lawrence was always fair and rewarded the highest performers. He was not always approachable in terms of hearing suggestions. (continued)
The store manager for Jablonsky stated that he was a highly motivated manager who understood retailing quite well. He exhibited a great deal of confidence. Some of the other department managers in the store thought Lawrence was somewhat arrogant and difficult to deal with, especially when they talked about how to improve operations.

Jose Morales

Morales was the least-seasoned of the three finalists, having been with the company for only five years. For the past two years, Jose was a children’s clothing manager in a highly successful department in a major metropolitan area. He had been able to persuade the store manager to advertise on a local Spanish-speaking radio station and in other venues, which attracted a substantial number of new Hispanic customers to the overall store and to his department.

Morales loved working with customers. Even though English was his second language, he was able to converse with customers and make them feel comfortable, often by testing his own language skills. Being bilingual made it possible to sell to those who spoke only Spanish.

Jose’s employees used terms such as “fun loving” and a “free spirit” to describe him. They said he was not likely to discipline someone who had broken a rule or showed up late for work. A few said it was clear he “wanted to be liked” by his employees.

The store manager had praise for Morales in several areas. Besides the advice to attract Hispanic customers, he was willing to leave his own department to translate for other salespeople when needed. He took time to make sure he invited every other department manager to lunch during his first year as department manager. The manager noted that Jose sometimes was late turning in paperwork and that some of his memos were “hard to follow.”

Review Questions

1. List the communication strengths and weaknesses of each candidate.
2. List the management strengths and weaknesses of each candidate, including technical, conceptual, and human relations skills.
3. On paper, which candidate should get the job? Defend your answer.